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SIPDIS

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SENSITIVE

DEPARTMENT PASS TO USTR (AGAMA)
TREASURY FOR RICHARD HALL/DAN PETERS
USDOC FOR 3317/ITA/OA/KBURRESS AND
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E.O. 12598: N/A

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SUBJECT: COMMERCE MINISTER PROPOSE DECEMBER TIFA; SEEKS INCREASED US INVESTMENT

SENSITIVE BUT UNCLASSIFIED - PROTECT ACCORDINGLY.

¶1. (SBU) Summary. Minister of Commerce and Industry Charles Ugwu proposed December 10-11 as possible dates for the Trade Investment Framework Agreement (TIFA) 2007 Council meeting in Abuja. He said the Nigeria government (GON) is enthusiastic, but has yet to discuss an inter-agency approved agenda. The Minister is seeking partners in the petrochemicals sector and advocated for U.S. companies to invest. End Summary.

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TIFA

¶2. (SBU) on October 9 Minister Ugwu told Economic Counselor that he welcomes the TIFA Council meetings and appreciates the opportunity it provides for the U.S. and Nigeria to discuss trade and investment issues. Ugwu has yet to be briefed on the TIFA and postponed discussion of USG workplan and agenda. He expects to have a dialogue with the private sector to get their views before discussion of the final GON points and hopes to include that sector in the TIFA Council program. Regarding TIFA dates, Ugwu suggested December 10 and 11 because he is traveling to Malaysia and other countries in November.

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Ugwu's Industry Strategy

¶3. (SBU) Minister Ugwu wants to encourage the GON and foreign companies to invest in the petrochemicals sector because the raw materials are available in Nigeria and create jobs. The idea was crystallized during his September trip to China and his observation of how the Chinese have been able to create jobs for their citizens.

¶4. (SBU) Minister Ugwu stressed that the GON is looking for partners in the petrochemical sector, including U.S. oil majors such as ExxonMobil and Chevron. The U.S. has the technology and Nigeria has remained a good ally of the U.S., and Ugwu referred to the U.S. partnership with Saudi Arabia in establishing its petrochemical sector in the 1970's. He remarked "when someone says he is your friend and you are in doubt, a time will come when you will hold his hands and look into his eyes and ask if he is really a true friend". "If the U.S. does not want to partner with us we may have to look elsewhere, possibly China".

¶5. (SBU) To implement his vision, he plans to establish industrial clusters and industrial parks in the six Nigerian geo-political

zones with the GON providing the requisite infrastructure. Minister Ugwuah would lobby the cabinet and President for the GON to invest in providing infrastructure.

Free Trader?

16. (SBU) When asked about his trade philosophy, Ugwuah responded that he is not a protectionist and favors removal of trade barriers. He hoped to remove trade barriers, but contended that Nigeria's weak local industrial base and poor infrastructure presented a dilemma. Before removing barriers, local producers needed competitive alternatives, otherwise he would fail in his goal of job creation.

AGOA & Bilateral Relationship

17. (SBU) Minister Ugwuah commended the U.S. for providing market access to sub-Saharan African countries through AGOA and confessed that Nigeria is yet to take advantage of the benefits available under AGOA because it is yet to "put its house in order." He emphasized the need for Nigeria to build capacity in order to benefit from AGOA.

18. (SBU) On the relationship between both countries, Minister Ugwuah said he wants to see more U.S. investment in Nigeria, and "we want you to partner with us." He contended that the relationship has gone beyond the U.S. pointing Nigeria in the right direction.

Comment

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19. (SBU) The Minister was energetic and passionate about his vision for Nigeria and increasing U.S. investment in Nigeria. As former President of Manufacturers Association of Nigeria, Ugwuah knows the commercial issues facing industry. Whether he is a free trader is yet to be determined based on his short-time in office.

Bio Note

10. (U) Engineer Charles Chukwuemeka Ugwuah, an industrialist, was the immediate past president of the Manufacturers Association of Nigeria, and is Chairman of both Rokana Industries and Hydro Resources Industries Limited. Embassy industry contacts consider him an active and successful industrialist, and believe he will be a strong voice for local manufacturers.

11. (U) Ugwuah holds a Higher National Diploma in Mechanical Engineering and an Advanced Diploma in Power Engineering from Borough Polytechnic, London. He also holds a Master of Science degree in Mechanical Engineering with a specialization in thermodynamics from Birmingham University, England. Ugwuah was born on December 3, 1942.

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